

# The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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## Civil Service Reform Makes Slight Gains

Numerous Political Appointments in Recent Years Bare Evils of Spoils System

ACTION IS HOPED FOR SOON

Administration Indicates It Will Seek to Make Improvements in Character of U. S. Public Service

We pay a great deal of attention to the passing of laws, but unfortunately we give less thought to their enforcement once they are passed. We debate the policies which the government should carry out. That is very well so far as it goes. But it is not enough. The wisest laws will not accomplish much unless they are well executed. We may decide, after due deliberation, what kind of work the government shall carry on. But our intention will never be realized unless our plans are effectively carried out. We need good lawmakers, to be sure, but we also need a good body of public servants, from the heads of bureaus and departments down to clerks and laborers. In the long run, the success or failure of governments is likely to depend very largely upon the efficiency with which the public work is done day by day and week by week; upon the skill and soundness of the forces of public servants.

### Needs of Today

The necessity of having the laws well administered is greater today than it has ever been in the past, because the government is undertaking to do so many more things than it formerly did. This is true of federal, state, city, and county governments. Leonard D. White, member of the United States Civil Service Commission, in his book, "Government Career Service," speaks of the certainty "that administration is to carry heavier responsibilities than ever before in our national history." He continues:

The briefest enumeration of some of the novel tasks which the federal government has assumed in the last eighteen months is convincing proof of this position. The federal government is financing three-fourths of the relief load, giving daily subsistence to the equivalent of about 20,000,000 persons; the federal government is insuring individual bank deposits covering over 55,000,000 accounts; it is directly employing over 300,000 men in CCC camps, and will shortly employ twice as many; through the AAA it is negotiating directly and personally with millions of farmers, especially those producing the basic commodities; through the Home Owners' Loan Corporation it has loaned credit on over 500,000 pieces of property and is apparently about to receive another \$1,000,000,000 for this purpose; through the federal district courts it is enabling municipalities to adjust their debts under the provisions of the bankruptcy sections of the federal Constitution; through the Reconstruction Finance Corporation the government has become party in interest in most of the large-scale financial institutions of the country; in coöperation with the states we are about to launch a huge program of social security.

In short, within broad limits, the government is now attempting to affect the whole economic system in the interest of individual security, in sharp contrast to its traditional role of supervising a small section of the economic system in the interest of free competition. Any government that starts out to modify the rise and fall of the economic cycle can hope to succeed even moderately only if its instruments of action represent the highest combination of intelligence, courage, and devotion. The government needs, in other words, a civil service recruited and maintained on the most exacting of principles.

(Concluded on page 8)



THE GRANDEUR THAT WAS ROME

Will Mussolini, the modern Caesar, succeed in restoring the glory of the Roman Empire? (From an illustration in "Monuments and Men in Ancient Rome," by Grant Showerman. Appleton-Century.)

## A Problem of Right Living

The determination of right and wrong in conduct would be a relatively easy matter if we were obliged to consider ourselves alone. In that case we would judge a proposed course of action by its probable effects upon us—upon our efficiency, our total of satisfactions, our happiness. Even then the decision would not always be simple for it is frequently hard or even impossible to know in advance all the consequences of our acts. We would have to weigh immediate satisfaction against long-time realizations, and it would require rare wisdom to determine the acts which would bring the greatest happiness over the course of a lifetime. We would also have to choose between desires, crushing certain of them in order that others might be realized—giving up some things we want that more imperative claims might be satisfied. Even so, the task of choosing the best courses would not seem at all impossible. We would at least be deciding all the time what things we most earnestly desire, and we, better than any others, would be in a position to choose among our ambitions and wishes.

But life is not so simple as that. The problem of determining the best courses to follow is greatly complicated by the fact that practically, all our acts affect others as well as ourselves. Almost any decision we make, however personal it may appear, has a bearing upon the happiness of other individuals whose lives or environments are closely associated with our own. Where you go today, what you do, the quality of your work, the job you accept or refuse, your recreation, your disposition, your smiles or frowns, your whereabouts, your associations, all these things are your own business, it is true, but they play a part in the happiness or unhappiness of other people. When you decide upon a course of action, then, you are obliged to weigh in the scale, not your own satisfactions alone, but those of other people. And that is a hard thing to do.

Much trouble and unhappiness comes from the fact that so many people fail to realize the extent to which human lives and hopes and experiences are intertwined. Very many there are who do not intend to be selfish, but who act selfishly and hurt others simply because they do not think; because they consider their own satisfactions, their own wishes alone as they go about the routines of the day. One should not, of course, sacrifice himself needlessly. He should look out for his own development and his own happiness. But if each one were to try consciously to travel a road to happiness which would enable him to help rather than hinder others, this world would be far brighter and better.

## League Denies Right of Duce to Ethiopia

Stiffens Opposition to Italy as Many Nations Demand Continuation of Sanctions

FRENCH STAND NEW FACTOR

Popular Front Government Promises More Definite Pro-League Position than Its Predecessors

Europe is still holding post-mortems over the Ethiopian dispute which ended in abject military defeat for the Ethiopians themselves, humiliating failure for the League of Nations, the most serious blow to British diplomacy within human memory, and general confusion as to the next step. Even the French, who entered half-heartedly into a program of stopping Italy by collective action, have suffered by Mussolini's outright annexation of Ethiopia. The French had hoped that the Italian dictator would have been satisfied with the establishment of a protectorate over his African conquest, thus offering the League and the nations which had attempted to thwart him a chance to save their faces and make the aggression appear less ruthless in the eyes of the peoples of the world.

### Ethiopia Annexed

But Mussolini has snapped his fingers at them all. When he said, as his troops in Africa entered the Ethiopian capital of Addis Ababa that "Ethiopia is Italian," he meant exactly that. A few days later he proclaimed that Italy would annex the new territory outright. He proclaimed King Victor Emanuel emperor of Ethiopia, and named Marshal Pietro Badoglio, who was primarily responsible for Italy's brilliant military success, viceroy of the new colony. There were no halfway measures, no attempts to salve the feelings of the League.

And as the Council of the League of Nations met at Geneva last week, presided over by Anthony Eden, the British foreign secretary who had led the fight to prevent Italian victory in Ethiopia, all its members were still stunned by the blow. They were confronted by the gigantic, and thankless, job of trying to wiggle out of the mess in the most dignified manner possible. For no longer could the statesmen deal with future possibilities, they were faced with a situation which could be spoken of only in the past tense. In the language of the diplomats, they were confronted by a *fait accompli*—an accomplished fact.

Before we undertake to examine the profound consequences of this *fait accompli* upon European politics, it might be well for a moment to see just how the Italians succeeded in subduing the Ethiopians in the space of seven short months, contrary to the expectations of even the most astute military experts. When the war started, it was predicted on all hands that it would take at least two or three years to conquer the country. The Ethiopian warriors, it was claimed, would offer stout resistance to the Italians, and the rugged nature of the country in which the fighting would have to take place would offer a further handicap.

In addition to the failure of the sanctions imposed by the League of Nations really to cripple Italy, several other unexpected factors entered into the situation. In the first place, the Ethiopian emperor was unable to hold his empire firmly together. Ethiopia has never been a really united



nation. It is made up of a number of native tribes which have long fought and quarreled with one another. Selassie, as head of the most powerful tribe, had managed to set himself over the others, but when war came, he was unable to command the loyalty of all the Ethiopians. Consequently, various tribal chiefs, possibly bribed by the Italians, withdrew their support, and Selassie's armies were greatly weakened.

#### How Italy Won

Another important reason for the success of the Italians was the modern war machine sent to Africa by Mussolini. The Ethiopians were unable to stand up against these up-to-date weapons, and toward the end, when the Italians began to use poison gas (although they had signed a treaty promising not to do so), the resistance of the natives crumbled.

Finally, there is the fact that, contrary to the wishes of Haile Selassie, who is a shrewd military leader, the Ethiopians made the mistake of meeting their enemies face to face. The emperor attempted to wage a guerilla warfare, pecking away at the Italians and making their advance as difficult as possible. These tactics were employed at first and were quite successful. But the Ethiopians, feeling encouraged by their early successes and remembering how they had wiped out an entire Italian army 40 years ago, grew more daring. They ventured to engage in open battle and this proved to be their undoing.

Another factor which must not be ignored in accounting for the Italians' spectacular victory was the able leadership of Marshal Badoglio, who was placed in charge of the armed forces in Ethiopia. When the campaign began last fall, the army was under the command of the aged General de Bono. De Bono pushed forward rapidly at first, and reached Adowa, the historic site of Italy's humiliating defeat 40 years ago. After this early victory, the general proceeded with utmost caution, always anxious to avoid mistakes. Mussolini grew impatient and sent to the front his most able military leader, Pietro Badoglio.

#### Marshal Badoglio

It is this same Badoglio who has been made viceroy of Ethiopia; but the honor bestowed upon the hero is less brilliant than might be supposed. It is generally known that Il Duce has little love for the capable general, that he sent him to Ethiopia only as a last resort when he saw that the Italian troops were making little headway, and that he is now trying to "bury" Badoglio in Africa as he has often done in the past with men who became popular heroes and threatened to take the spotlight from himself.

There is another reason for the enmity between Mussolini and Badoglio. The general has never been a great worshipper of Fascism. It was he who, in 1922, declared his willingness to wipe out the Fascists if given a single company of troops. It is



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#### THE CONQUEROR

It is a proud moment for Il Duce. But will Ethiopia be the great boon to Italy he foresees?

said that even today he would attempt to revolt against the Fascist régime were it not for his devotion to the king. Many of the opponents of Fascism look to him as a possible leader who might someday replace the dictator.

The danger of such a course became even more serious after Badoglio won such a signal victory in Ethiopia. Already the idol of millions of Italians, he became a national hero on the morrow of the African war. And while Mussolini has rewarded him with a great deal of honor by making him viceroy of Ethiopia, he is probably much safer far off in Ethiopia than he would be at home among his many followers.

Of course, the task of Badoglio and the Italian government in Ethiopia will not be an easy one. The job of colonizing a country the size of Ethiopia is always difficult and expensive. It is expected that all the soldiers who were sent to Africa will remain there. In addition to the 400,000 soldiers, there are approximately 100,000 laborers who were sent there to construct roads and otherwise to help the army. Then, Mussolini is expected to send thousands of other men and women to Africa to develop its resources and make it a true asset to Italy rather than a huge "white elephant."

#### Italy's New Position

While it cannot be denied that the difficulties which lie in Italy's future path are great and may prove insuperable, it is nevertheless a fact that, for the moment, she has won a magnificent victory. Her power and prestige in the councils of Europe are greater than they have been at any time since the close of the World War. She has succeeded in twisting the tail of the British lion, and needs no longer submit to the dictates of London so far as African and Mediterranean policy is concerned. Heretofore regarded as a second-rate power in Europe, Italy must now be placed on the top rung of the diplomatic ladder.

Both the French and the British are deeply concerned over this new state of affairs. As we pointed out in last week's issue of THE AMERICAN OBSERVER, their monopoly in Africa has been seriously challenged. Even more important to them is the fact that they both have direct interests in Ethiopia which may suffer now that the Italian flag waves over that country. By a treaty signed in 1906, France, England, and Italy agreed to safeguard one another's interests. Britain's interests consisted primarily in Lake Tana, those of France the hinterland of Eritrea and Italian Somaliland, and those of France the railroad linking the French port of Djibouti and Addis Ababa. It is certain that the Italians will not give England the Lake Tana region, and while they

may agree not to interfere with the headwaters of the Blue Nile, which waters the Sudan and Egypt, it is nevertheless a fact that they have a strong weapon which they may always hold over the head of the British. Thus Mussolini holds the upper hand so far as both England and France are concerned.

It has been intimated that Mussolini will use his new victory to make both England and France serve his purposes. He may well guarantee to the British protection of their interest in Lake Tana, but in return may seek British loans to finance the colonization of Ethiopia and to bolster Italy's tottering finances. He may also demand a free hand to extend his control in southeastern Europe, where his influence is already considerable. The same demands may be made on France for protection of her interests in Ethiopia. At any rate, it is certain that Mussolini will play the cards he now holds for all they are worth.

#### The League's Problems

In so far as the League of Nations is concerned, a somewhat different set of problems must be met. Following the seizure of the Ethiopian capital, the situation looked dark indeed. The League had admitted failure, and it appeared that there was little to do but attempt to get out of the mess as gracefully as possible. It seemed almost certain that the program of sanctions, which had met with failure, would be abandoned and the League and its members would try to smooth matters over as best they could.

On the eve of the Council meeting, however, a few signs of hope were seen. While it was evident that nothing could be done to turn Italy back, there were certain things which the League might do to save itself from absolute defeat. At a conference of the so-called neutral powers—the Scandinavian countries, Spain, Holland, and Switzerland—a strong resolution was adopted urging the continuation of sanctions and support of the League. About the same time, those who will lead the new French government—representatives of the Popular Front, an organization of radical and liberal parties violently opposed to fascism—voiced themselves as favoring a continuation of the sanctions program. The parties which are now in a majority in France are strongly in favor of the League and may be expected to give it more support than did the parties which were in power during the heat of the Ethiopian war.

But the factor which was perhaps more decisive than the other two was Mussolini's action in annexing Ethiopia outright. As we pointed out earlier in this article, there can be no doubt that this step did much to stiffen the French position, as well as that of certain other members of the League. It is likely that France would have been willing to adopt a milder policy

at Geneva had Mussolini not acted so precipitately and closed the door to negotiation and compromise.

#### The Future

For the moment, therefore, it appears that the League will not attempt to work out a final liquidation of the Ethiopian affair. The existing sanctions against Italy may be maintained, and the League will probably refuse to recognize the validity of Mussolini's claim to his African conquest. In fact, France has already notified the Italian government that such will be her policy. If the League should follow this course, final action on the matter will be postponed until the next meeting of the Council, which will take place in June. In the meanwhile, the new French government will have been organized and will have had time to shape its foreign policy more clearly, and Great Britain will have had an opportunity to canvass the situation more fully and to chart a definite course of action.

While all this is a negative victory for the League of Nations, it is nevertheless more substantial than was expected two weeks ago. There seems to be a feeling among many of the statesmen of Europe that Mussolini will have to be shown that he cannot openly flaunt treaties and "get away with it," if anything is to be saved of the collective security program which was launched at the close of the World War. Thus, even though he has gobbled up Ethiopia, it is felt, he may be shown that his victory is not all that it was trumped up to be. The League may continue its sanctions program, may refuse to recognize his gains, and may make it extremely difficult for him to realize his ambitions.

If peace is to be preserved in Europe, those who are trying to salvage something from the present tangle argue, all nations must be shown that they cannot do as they please without suffering serious consequences. They feel that it is not too late to show them just what such consequences



"ETHIOPIA IS ITALIAN"—IL DUCE

—Doyle in New York Post



VICTORY TODAY—?

—Sturges in Christian Science Monitor

#### The American Observer

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# AROUND THE WORLD

**France:** The victory of the Leftist Popular Front in the recent elections was followed by several days of uncertainty in France. Prices fell on the Paris stock exchange and heavy shipments of gold to foreign countries were reported by the Bank of France, apparently because of the fear that the incoming government would devalue the franc.

To stem the flow of gold from their country, the regents of the bank immediately took action of a relatively drastic nature. To dispel the uncertainty and restore confidence to the public, Léon Blum, slated to become premier on June 1, made a declaration of his future policies before the executive council of the Socialist party.

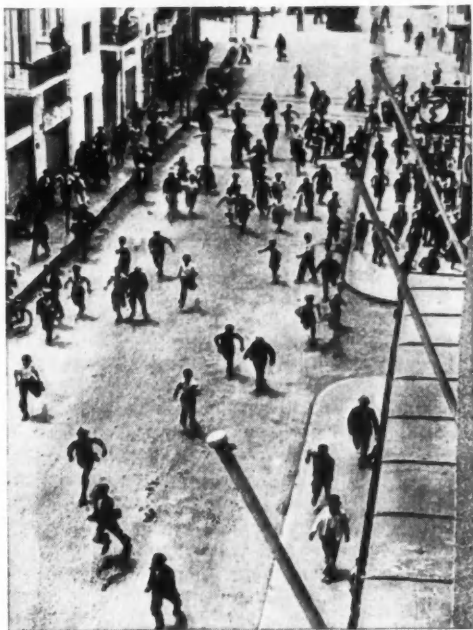
His speech was considerably more moderate than had been expected. In order to avoid a crisis in financial circles, he did not call for immediate devaluation of the franc. Nor was the positive part of his program such as to make conservatives alarmed at the prospect of a socialist government. He intimated that the state would take a hand in industry only to the extent necessary for the restoration of trade. A vast public works program would be undertaken to provide employment, and the tax structure would undergo revision. Mr. Blum avoided mentioning what specific action would be taken to reform the Bank of France or to place under government ownership the munitions industry and public utilities.

With regard to the international situation, Mr. Blum said that a Socialist government would have three objectives: To restore to Europe confidence in herself, to strengthen the League of Nations, and to bring about mutual assistance pacts and progressive disarmament.

There was one part of Mr. Blum's address to which observers attach great significance. In announcing that as premier he would not tolerate the existence of secret fascist leagues, he intimated that it may be necessary for him to assume further powers to protect the state. This may mean an attempt to establish a Socialist dictatorship.

**England:** In reply to the peace proposals made by Chancellor Hitler when his troops occupied the Rhineland, the British government has submitted to Germany a list of questions in order to learn more specifically on what basis Hitler is prepared to enter into negotiations for a lasting European peace. The following questions, shorn of the vagueness which foreign office courtesy demands, were put to Germany: Is she prepared to abide by treaties that she will sign in the future, or will she feel free to break them at her convenience? Is she willing to enter into an air pact, limiting her air armaments as she has limited her navy? What is her intention with regard to neighboring territories such as Austria? Does she intend to interfere with that country's foreign affairs or not? In proclaiming his willingness to sign nonaggression pacts with Germany's neighbors on her "southeastern and northeastern frontier," what did Hitler mean? Is he not willing to enter into a similar agreement with Soviet Russia, Latvia, and Estonia?

On one important matter, the British note was silent. There was no mention of



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## JEWS AND ARABS RIOT IN PALESTINE

colonies, though it had been generally believed that on this point especially Britain would place some emphasis. It is said in some quarters that this omission was deliberately planned to avoid any deadlock in the future negotiations.

Germany's reply to this questionnaire will probably not be prepared before June. Hitler is waiting for two developments. He wishes first to learn what action the League of Nations will take in the Ethiopian question and what will be the attitude of the new French cabinet toward Nazi Germany. Should the League not recognize Italian conquest of Ethiopia but rather take severe measures against the aggressor, Hitler's reply might be more conciliatory than is at present expected.

**Yugoslavia:** The failure of the League of Nations to stop Italy from swallowing up a smaller state, also a member of the League, brought statesmen from Central

European and Balkan countries together to two conferences in Belgrade last week. One involved Turkey, Yugoslavia, Rumania, and Greece, members of the Balkan Entente; the other, the Little Entente, including Yugoslavia, Czechoslovakia, and Rumania. All these countries have a vital interest in maintaining European boundaries as they were established by the Treaty of Versailles. But the defiance of the League and the Versailles Treaty by Mussolini and Hitler makes them all fearful of the future, for

a number of very sound reasons.

Italy has now for years kept Albania under her protective wing. If the League of Nations now loses its effectiveness, Italy may penetrate even further into Albania and thus become a threat to Yugoslavia. Germany, on the other hand, seems committed to the annexation of Austria and the weakness of the League may make the temptation to move toward Vienna stronger. To avoid union with the Nazis, Austria, with the approval of Italy, may seek the restora-

tion of the Hapsburg monarchy, with Otto as ruler. This in itself would not be objectionable to all these nations, except for the fact that a monarchy in Austria may eventually result in a return to the old Austrian empire, which would mean a threat to Czechoslovakia and Rumania. It may readily be seen how potentially dangerous is this situation when a remedy for one ill—monarchy for Austria—would but result in a worse malady—restoration of the Hapsburg empire.

The various statesmen, realizing the seriousness of the present crisis, pledged to work in closer cooperation with one another and concluded partial pacts of mutual assistance.

**Poland:** Ignace Jan Paderewski, the great pianist, has always refused to broadcast his music and has never been heard over the radio. But now at the age of 75 he is to become a movie star. He has entered into a contract to participate in the making of a film.

The filming will be done in a suburb of London. Probably the sound picture Paderewski is to make will not only record his music but will be built around the story of his career. An interesting story could be woven about his experiences without departing from the truth, for after reaching the highest pinnacle of success as a pianist and composer, he withdrew from the practice of his art in 1917 and entered into the fight for Polish independence. He became the first premier of Poland and held the position for nearly a year. Then he retired and practiced secretly for two years before going again upon the concert stage. He is now living in Switzerland.

**Austria:** The Austrians are proving that national industries may be built up by educational activities and that food habits may be changed in the same way. Sometime ago a campaign of education was carried on to induce the people to drink more milk. At the same time, attention was given to increasing the production of milk and to improving its quality. Governmental policies assisted the dairy industry. The importation of milk from abroad was checked. Methods of distributing it were improved. As a result of all these efforts, the people are drinking more milk, and a flourishing dairy industry is developing. Many dairy shops have been established in the cities, and workers who would otherwise be unemployed have found jobs in the thriving business of producing and selling milk.

**Spain:** With no one to oppose his candidacy, Manuel Azaña, former premier, was elected president of Spain by the electoral convention. He is the second president of the second Spanish republic, succeeding Niceto Alcalá Zamora who was removed from office on April 7 by the Cortes, or parliament. The new chief executive, whose inauguration took place the day following his election, will hold office until 1942, unless he is unable to maintain the confidence of the parliament. Senor Azaña is 56 years of age, a lawyer, and one of the ablest statesmen of his country. Like many others prominent in Spanish politics, he is a man of intellect and culture who has gained some distinction as a playwright.

The task falling upon President Azaña is a difficult one, calling for tact, patience, and shrewdness. Since the abdication of King Alfonso, Spain has not had any long period of quiet. Governments have followed one another in rapid succession. Radicals and conservatives have fought in the streets. Riots have been frequent. It will be his duty to bring some order into the troubled situation.

The delicacy of action imperative in such an attempt is due partly to the fact that, as president, the powers of Senor Azaña will be limited, and partly to the position which he has hitherto held.

It was his leadership which resulted in the overwhelming victory of the Leftist Popular Front in the recent general elections. That victory brought him the premiership. Now as president he can no longer take part in partisan politics. He must refrain from giving his support to any faction, at the same time that he seeks to bring harmony into the opposing camps.



—Johnson

## MANUEL AZANA

Motion pictures go by different names in different lands. In the United States we speak of them as the movies. In England it is the cinema. In South Africa the people attend "bioscopes." These bioscopes, or moving pictures, are attracting larger crowds every year. Even the villages have pictures once or twice a week. Most of the films are made in India, England, or America. The Malays and Indians see the Indian pictures, while the natives and Europeans are entertained by films from America and Britain.

Though the rioting in Palestine has ceased, the situation there remains tense. The Arabs have decided to carry out a civil disobedience strike by paying no taxes until the immigration of Jews and the sale of land to them is stopped by the British government.

Oswald Spengler died suddenly in Germany at the age of 56. Mr. Spengler rose to international fame, shortly after the World War, when he published his "Decline of the West." In this volume, considered an outstanding feat of scholarship and original thought, Oswald Spengler sought to establish a historical method by which it might be possible to gauge the fall or rise of any particular civilization.



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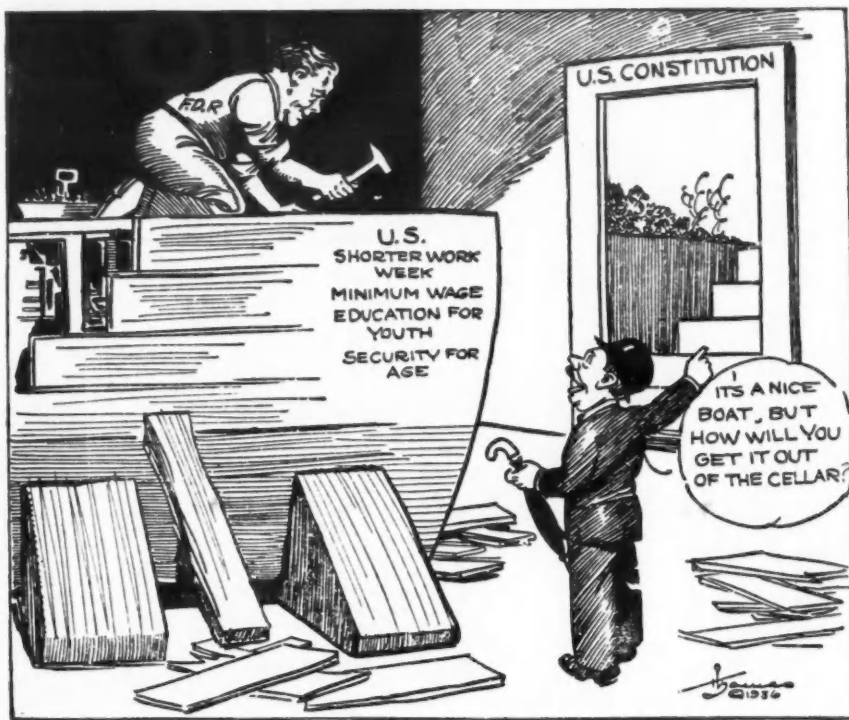
## NEXT PREMIER Leon Blum, Socialist leader, who is scheduled to head the next French cabinet.



SPAIN AT THE CROSSROADS

Fitzpatrick in St. Louis Post-Dispatch





THE GOOD SHIP "HAPPY DAYS"

—Thomas in Deseret News

## U. S. and Ethiopia

The United States government has a difficult problem to consider in connection with the Italian conquest of Ethiopia. The question is this: Shall our government recognize that conquest as legal? Shall we give formal recognition to the new government which Italy is setting up in its recently acquired domain? Or, on the other hand, shall we adopt the course we have followed with respect to Manchoukuo? Japan conquered Manchuria and set up the new government of a new state, called Manchoukuo. The United States refused to recognize the new government on the ground that it is contrary to our policy to recognize a government which has been set up as a result of violence.

If we follow this precedent in the present instance, it would seem that we must refrain from recognizing the new régime in northern Africa. If we do that the result will be somewhat strained relations between America and Italy, just as the result of our refusal to recognize Manchoukuo has resulted in considerable bad feeling between the United States and Japan.

A strong argument can be made out for the refusal to recognize the validity of this act of violence. If the United States and other nations refuse to recognize conquests as legal, will it not in the long run discourage nations from making conquests? That is the argument in favor of nonrecognition.

The strongest argument which can be made in favor of recognition is that the United

States should either work actively to prevent aggression anywhere in the world, or else it should keep its hands off and remain a neutral in such cases. If it is not going to try to check nations which are waging aggressive wars, it should not refuse to recognize results of such wars. Such a policy, it may be contended, can result in no good. It will not discourage aggression any more than it discouraged Japan and Italy. It will keep the United States on unfriendly terms with other nations without producing any good results in return. If we were not interested enough in the Ethiopian venture to help check Italy at a time when strong action might have done some good, why protest now when protests will not do any good and when they will disturb international relations?

Perhaps the United States will be influenced in its course toward Italy by the decision of the League of Nations powers as to the policy they will adopt. If they should decide to give up their protests and recognize the Ethiopian conquest as something which has been accomplished and which can no longer be prevented, it is possible that the United States will adopt the same course rather than to stand alone in protest. But if we should recognize the Italian conquest in Ethiopia, would we not be obliged to back down on our Manchoukuoan policy?

The problem is a difficult one, however, from whatever angle it is considered.

## Labor in 1936

The leaders of organized labor are openly supporting President Roosevelt for reelection. By taking this action they are breaking away from their usual practice. It has been their custom to refrain from direct endorsements of any party or of any presidential candidate. They have worked for legislation which seemed to them to be in the interests of labor but have steered clear of party politics.

But this year a different situation prevails. There is a movement in organized labor, led by John L. Lewis, head of the United Mine Workers, to form a third party—a labor, or progressive, party similar to the labor party of Great Britain. It is not the purpose to put the ticket into the field this year, for at present Lewis and his followers are supporting the Democratic ticket. But they plan to have a party of their own by 1940. William Green, president of the American Federation of Labor, strongly opposes Lewis and his program. Mr. Green does not like the idea of a separate labor party, but he apparently feels that the pro-Roosevelt sentiment is very strong among workers, and that if he does not work actively with the Roosevelt elements in the labor movement, great numbers of workers friendly to the President will follow the lead of Lewis.

Mr. Green does not endorse President Roosevelt by name, but he gave his support in effect by making the following statement in



"NOMINEE"

John G. Winant, former governor of New Hampshire and present chairman of the Social Security Board, was nominated for the presidency at Oberlin College's mock convention. In a telegram accepting the "nomination" Mr. Winant indicated that he had no designs on the actual Republican nomination.

# The Week in the

## What the American People

a recent address: "We cannot afford to make any change in our present great forward-looking social movement. We have been inspired and thrilled by the leadership that destiny has given us and we want to continue it without change."

## Conquering the Air

Early one morning in the grey dawn, a huge flying fish circled over Manhattan. High in the air its long silvery shape gleamed faintly in the light of a waning moon. Inside the flying fish, passengers, some of whom had never before seen New York, rushed to the long windows and exclaimed in several languages at the sight of the Empire State building. It was the German dirigible, *Hindenburg*, which had just completed the first part of the first commercial round-trip flight ever made between Europe and the United States.

The *Hindenburg*, whose aerial comfort in a storm is greater than that of an ocean liner, is the triumph of its designer, Dr. Hugo Eckener. It is the 129th zeppelin to be built in the 50 years since Count Zeppelin first flew his invention above Switzerland. After 50 years, the zeppelin is now in a position to compete successfully with ocean liners and with the swifter but less comfortable airplane.

Leaving Friedrichshafen at 8:30 p. m. on May 6, the *Hindenburg* arrived at Lakehurst at 5:23 a. m. on May 9. It is now scheduled to make 10 round trips this summer between Frankfurt am Main and Lakehurst, carrying passengers, freight, and mail. Dr. Eckener suggests that Germany and the United States cooperate in establishing a regular transatlantic air service, after these experimental flights have shown it to be practical.

## Social Security

The Social Security Act, adopted by Congress last year, is being put into effect by the Social Security Board. This act provides, among other things, that if any state adopts plans for giving old-age pensions, or for giving aid to the blind and dependent children, the federal government will help the state in making these payments. It will put up as much money as the state does. But in order to get federal assistance, the state must formulate a plan and this plan must be approved by the Social Security Board. Up to the present time the board has approved 29 state plans for old-age assistance; 18 state plans for assistance to the blind; and 17 state plans for aid to dependent children. It has the programs of other states under consideration. Before a state plan is approved, the Social Security Board must be satisfied that it gives assistance to the needy persons in all parts of the state and that there are proper provisions for the distribution of the money.

## Brain Trusts

Democratic campaign committees and newspapers are making a great deal of fun of the Republican "brain trust"—the professors whom the Republicans have selected to do research work and to help formulate Republican policies. The Democrats are going back over the writings of these professors and are picking out remarks they have made and policies they have advocated. They are not interested, of course, in finding the important things that these men stand for. They are interested merely in selecting ideas which the "brain trusters" have expressed and which, when taken alone, make the professors appear either foolish or else opposed to general Republican policy. This is exactly the course which Republican politicians and newspapers have been adopting toward the so-called Democratic "brain trust" throughout the Roosevelt administration. The fact is that both parties need all the brains they can find. If they are going to have intelligent programs, they need to

make use of the work of professors. Now while each party is making fun of the other's "brain trusters" each feels obliged to maintain a "brain trust" of its own.

## For Visible Taxes

John T. Flynn, economist and contributor of a daily column to the Scripps-Howard newspapers, argues that a greater proportion of the taxes should be direct and out in the open so that everyone can see what he is paying. He says:

Of course, this may not be a popular method at first. People apparently would rather have their taxes eased painlessly out of them. But the tax problem is now altogether too serious in this country to be concealed behind clever devices for fooling the real taxpayers.

This year to date, the government has collected from various sources \$3,310,270,000. Of this less than one-third has been drawn from income taxes. The taxes on tobacco, gasoline, cosmetics and various other articles were \$600,000,000 more than the income taxes. The customs taxes, which are passed on to consumers, were \$321,000,000. The processing taxes would have been half a billion dollars, all collected from makers of flour and other farm products and passed on to the



THE LAST... This new type plane is supposed to be as foolproof as... them for its...

eatery of bread, etc. The Supreme Court invalidated that tax, but it will have to be collected this year.

## Real Public Enemy

J. Edgar Hoover, chief of the Federal Bureau of Investigation, who has done so much to break up gangs and to capture gangsters, says that the worst public enemy—"public enemy No. 1"—is not any gangster or set of them, but that it is crooked politics. He says that local police are often corrupt and that when they are not corrupt they are frequently inefficient. The local officers frequently give out to the newspapers stories of what enforcement authorities are trying to do. This publicity gives the fugitive criminals the information they need and permits them to escape. In other cases local officials refuse to cooperate with federal authorities. Mr. Hoover thinks that the gangsters themselves are frequently cowards and weaklings who could be combated easily if we had better law-enforcement machinery.

## Youth for Winant

Whom the youth of the country would choose as the Republican candidate for president if it had a say in the coming convention was indicated in Oberlin, Ohio, when the Oberlin College mock Republican convention nominated John G. Winant, former governor of New Hampshire, now chairman of



# The United States

## Doing, Saying, and Thinking

while Social Security Board. This mock convention, the oldest in the country, was held in a tent, but was otherwise conducted in the same way as the real convention. The students formed into state delegations, adopted a platform, carried on political bargaining, accompanied their votes with lusty cheering and otherwise disported themselves as do their elders.

It is interesting to note that although Governor Landon of Kansas was the first one to be presented for nomination, he did not receive a large vote at any time during the poll. On the sixth ballot, Senator Arthur Vandenberg came within 75 votes of the number needed for nomination but the tide turned against him in favor of Winant. The convention's choice for vice-president was Fredrick C. Steiwer of Oregon, who is to be keynote speaker at the Republican convention in Cleveland on June 9.

### J. S. Grows

The United States Bureau of the Census has estimated that on July 1, 1935, there were



© Harris and Ewing

ASTON SAFETY  
The Department of Commerce has ordered 15 of its

27,521,000 people living in the United States, an increase of almost four per cent over 1930. According to this estimate, just made public, the largest gain in population was made by the District of Columbia, where there are now 94,000 inhabitants, a 22 per cent increase brought about by the influx of government employees under the New Deal.

### Libel Laws

Frequently, it happens that newspapers, magazines, and other publications are sued for libel on the grounds that they have printed statements about persons which defame the person's reputation or character. The rule

which has long been followed in this country is that if a statement can be proved to be false, the injured party may recover damages. It makes no difference whether the publisher believed the facts to be true at the time he published the statement. Good faith and honesty of belief are no excuse for misstatements.

The American Institute of Law, at its recent meeting in Washington, adopted a resolution which would change the libel and defamatory laws of the country. According to the recommended changes, newspapers could publish facts about public officials and candidates for public offices, without danger of being sued for libel, if the publisher honestly believed such statements to be true. In addition, the Institute recommended a change to the effect that editorial comment about a person's activities could be of a defamatory nature, provided "it represents the actual opinion of the critic and is not made solely for the purpose of causing harm to another."

These recommendations represent a more liberal point of view with respect to the libel and defamatory laws which now prevail. It has been argued in the past that if publishers are given complete freedom in criticizing public officials and making statements which are untrue, many distinguished citizens would refrain from entering the public service lest their characters be besmirched. The Institute refused to accept this position, expressing the doubt that "the broader rule actually excludes desirable citizens from the public service."

### Counting the Jobless

Contrasting sharply with estimates popularly accepted, the New York *Sun* has made a survey of unemployment and places the figure at 3,085,000, which includes all forms of occupations with the exception of agriculture, domestic service, and professional service.

The *Sun's* conclusions are strikingly lower than the estimates of the American Federation of Labor (12,184,000) and of the conservative National Industrial Conference Board (9,649,000). It would seem from the continuing relief needs that the higher estimates are perhaps the most reliable. The important fact, however, is that no one really knows how great unemployment is in the United States, nor has anyone known at any time since the beginning of the depression.

There has been constant criticism of this unscientific absence of reliable statistics, but the administration has so far been unwilling to approve an unemployment census. It is argued that it would take so long to conduct the census that the information secured would be without value by the time it could be made available to the government and to the public. And it is said that it is often extremely difficult to tell who is unemployed since there are so many borderline part-time workers.

However, the belief persists that the government should end the uncertainty with regard to the amount of unemployment. Secretary of Commerce Roper is reported to be pressing the President for permission to take a census. He has pointed out that it would take six months to do the job and that the re-



IT DEPENDS ON HOW YOU LOOK AT IT

—From a cartoon in the *Elkhart Truth*

sults would not be known until after the election, a fact which should remove any political considerations.

### Lehman Loses

New York was one of the first states to pass an unemployment insurance law, and has long enjoyed a record for leadership in social welfare legislation. But now, owing to political strife, it finds itself lagging well behind other states in the matter of fulfilling the conditions required of states before they can participate in the benefits of the Social Security Act passed by Congress last August.

Governor Lehman has failed in getting the Republican-controlled state Assembly to approve his social security program embodying the following points: financial assistance to dependent children; old-age assistance to people over 65; financial and other help for the blind; services for the health of mothers and children; maintenance of more adequate public health services; care for crippled children; promotion of local child welfare services; vocational aid for the physically disabled.

The Assembly was unwilling to accept this program, and the Republicans endeavored to substitute a bill of their own which would have confined state assistance to old-age pensions alone. The Republicans argued that Governor Lehman's bill was "highly utopian" and that it would mean more federal dictatorship, an extension of bureaucracy, and the further usurpation of states rights. Governor Lehman, in a spirited radio appeal, declared that "there is not the least justification for injecting party politics or partisanship into legislation affecting the welfare of hundreds of thousands of our men, women, and children." But all his efforts could not prevail against the opposition of the majority in the Assembly, and that body finally adjourned without taking action of any kind.

### Names in the News

Herbert Hoover, Republican leader, declared in an interview that if the proposed tax on the profits of corporations were put into effect, it would stop the growth of new industries and favor large established corporations at the expense of the smaller. The proposed measure would tax those profits which are not distributed to stockholders as dividends. Smaller companies, he said, can be built up only by throwing these early profits back into the business.

Lincoln Ellsworth, Arctic explorer and aviator, and Harold Gatty, chief pilot on two Byrd Antarctic expeditions, are planning another trip to the South Pole to discover a new continent and claim it for the United States. Since a special tractor and other ice-exploring equipment is being perfected, the expedition may not leave for several years. The new

continent which they hope to claim for the United States is, they say, 600,000 square miles in area.

Edna St. Vincent Millay had a sad story to tell her admirers last week. She was spending her vacation in Florida and had with her some manuscripts on which she had worked for two years. One night the hotel in which she had been staying took fire, and with it were consumed the manuscripts.

### In Brief

The treasury of the state of Nebraska has a balance of over \$21,000,000. The state constitution has prohibited the government from going into debt for more than \$10,000. Certain of the officials admit, however, that the excellent treasury condition is due partly to the money expended in their state by the federal government.

The Metropolitan Opera Company of New York has started a spring season of grand opera at popular prices. If this experiment is approved by the public, it may become a permanent feature of the Metropolitan.

The United States has signed a reciprocal trade pact with the French government. It is hoped that this agreement will materially increase trade between the two countries, which in 1929 had amounted to almost half a billion dollars, but which had fallen to less than half that sum by 1934.



ADVISER

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Dr. Stanley High, former editor of the *Christian Herald* and recent news broadcaster, is employed by the Democratic National Committee. He is forming a "Good Neighbor League" to rally supporters behind President Roosevelt. It is reported that he is frequently consulted by the President and that he may succeed the late Louis McHenry Howe as the President's personal secretary.

### Announcement

The American Observer is published throughout the calendar year. To those readers who wish to receive it during the summer months, we offer a special subscription price of 50 cents for June, July and two weeks in August, payable in advance. Club subscriptions, in quantities of five or more, are offered to summer schools at the rate of three cents a week per copy.

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## Historical Backgrounds

By David S. Muzzey and Paul D. Miller

### The Record of the Hoover Administration

IF FATE has ever been unkind to an American president, that president was certainly Herbert Hoover. Whatever one may think of Mr. Hoover's political philosophy or the wisdom of the program adopted during his administration, it can hardly be denied that he was plagued by troubles almost from the day of his inauguration. A few months after he took office, forces over which no man had any control broke loose and hurled the whole country into the abyss of the worst depression in its entire history. It was illogical, even stupid, that the American people should have blamed Mr. Hoover personally for their disaster, but it is nevertheless a fact that many of them did just that. From beginning to end his was the thankless job of trying to cope with economic forces which seemed invincible. Few of his efforts were crowned with success and he finally went out of office humiliated as few presidents have ever been.



DAVID S. MUZZEY

#### Not a Policy of Inactivity

We are still living too close to the Hoover era to appraise it with any degree of accuracy or perspective. Only when the events through which we are now passing have taken a more definite pattern will we be able to determine whether the Hoover administration showed wisdom and statesmanship in dealing with our national problems or whether it was shortsighted and lacking in courage. Even today, the country is divided into the "in spite of's" and the "because of's." There are those who insist that the policies of Mr. Hoover's administration had defeated the depression and that we were well on the road to recovery in the summer of 1932. The recovery that has taken place since that time has been "in spite of" the New Deal and its various experiments. On the other hand, we find those who attribute the improvement in business conditions to the Roosevelt administration; recovery has come solely "because of" the New Deal. It is impossible to tell which of these views is correct.

Perhaps the most serious charge and the one most frequently voiced against the Hoover administration is that it did nothing to cope with the crisis which began in the fall of 1929. Such a charge is utterly without foundation, for President Hoover did have a definite policy to which he adhered during his entire term of office. It may well be that this policy was unsound. That is another matter. But the Hoover administration did not adopt a "do nothing" policy, a policy of letting nature take its course in the hope that everything would eventually work out.

In fact, the Hoover administration shattered all precedents by attempting to use the power of government to control economic forces. In all previous depressions, the government had kept its hands off, allowed businesses to go into bankruptcy, mortgages to be foreclosed, and the crisis to run its course. After a while, sometimes after several years, debts were liquidated, the depression did run its course, and finally the upward swing of the business cycle began once more.

The Hoover administration broke with the past when it undertook to influence economic forces by using the power of government. As Mr. Hoover himself said in his acceptance address in Washington in August 1932: "We might have done nothing. That would have been utter ruin. Instead, we met the situation with proposals to private business and the Congress of the most gi-

gantic program of economic defense and counterattack ever evolved in the history of the republic. We put it into action."

#### The Hoover Program

Of what did the Hoover program and counterattack consist? Less than a month after the stock market crash President Hoover called to the White House some of the leading industrialists of the country to map a course of action to cope with the critical situation. It was the Hoover thesis that wages should not be cut, that work should be spread as much as possible, that the government should expand its construction program, and that each industry should look after its own employees. An agreement to that effect was obtained from the industrialists who met in November 1929.

The same day, the President called in the labor leaders of the country and asked their cooperation in the crisis. Labor was asked not to strike during the emergency and to withdraw its demands for increases in wages. In order further to cushion the shock, Mr. Hoover requested all the governors and mayors to do all they could to expand their public works programs in an effort to create new employment and to stimulate industry.

Important as these steps were (and the agreements did not hold as the depression grew worse, for wages were cut and workers were laid off right and left), they did not involve direct intervention on the part of the government. The first important measure adopted by the federal government to prevent economic forces from taking their natural course was the organization of the Reconstruction Finance Corporation, with \$2,000,000,000 of capital furnished by the government. The purpose of this gigantic "public bank" was to save the debt structure of the nation. It was authorized to lend money to banks, insurance companies, railroads, and other corporations which were in danger of going into bankruptcy because of the severity of the depression. The establishment of the R. F. C. will go down in history as the first attempt on the part of an American government to prevent the liquidation of a depression in a natural way.

Other steps were taken by the Hoover administration to underpin the economic system and to prevent its further collapse. Credit facilities were established to protect farmers and home owners against the loss of their property. The weight of the government's credit was thrown behind the banking structure of the nation in order to prevent the losses to depositors, and while there was a breakdown in the closing hours of the administration, the attempt was made to prevent it, nevertheless.

This, surely, was a plan of action. Whether it was the correct form of action is a matter which must be left to future historians. They will perhaps be able to weigh Mr. Hoover's program in a colder light, as they will be able to appraise the validity of the important criticism which is made of his administration: that while he labored to rescue banks and large corporations he was unwilling to have the federal government make adequate provision for the needy and suffering elements of our population. This "trickle down" theory of lifting the country from the depression has been criticized especially by liberals. We can, at this time, only point out the historic fact that President Hoover was the first to interfere with the operation of the economic system in an effort to bring the nation out of depression.



FROM A PHOTOGRAPH IN "KYBER CARAVAN"

## Among the New Books

### Pitcairn Island

"The Heritage of the Bounty," by Harry L. Shapiro (New York: Simon and Schuster. \$3).

THE story of the mutineers of the *Bounty* who in 1790 fled from British justice to Pitcairn Island in the South Pacific has recently been made popular by Nordhoff and Hall, whose account of the dramatic incident in the annals of the British navy leaves nothing to be desired. Readers of the popular trilogy who have a scientific turn of mind will find much to interest them in Dr. Shapiro's account of his investigations on Pitcairn Island.

Dr. Shapiro is an anthropologist who was able to make a personal visit to the island. He studied the records which had been kept by the descendants of the mutineers during six generations. He likewise studied the descendants themselves from a social and anthropological viewpoint. The result is an absorbing account of a distinctly original culture produced in a lonely, distant island in the South Pacific.

### India Visited

"Kyber Caravan," by Gordon Sinclair (New York: Farrar & Rinehart. \$3).

IN 1935, a roving reporter for a Canadian newspaper traveled by automobile through some of the most desolate and dangerous regions of northern India, went south for elephant hunting but instead became involved in the great Quetta earthquake, visited Rajputana, its elephants and maharajahs, and started on the road to Harar in time for the beginning of the Ethiopian war. The reporter was Gordon

Sinclair and his story became "Kyber Caravan."

The value of such books, and Mr. Sinclair has written several of the same kind, lies in the fact that the information they give is derived from incidents actually observed or experienced by the writer. The eye and pen of a good reporter can pack much into a single paragraph. Thus, we learn new things about the Untouchables, Brahmin prejudices, British border patrols, and the psychology of wild tribesmen.

The modern reporter's job inclines him rather to a search for novelty than for significance, to the bald presentation of facts rather than to any coherent interpretation of them. Details, however, are valuable in themselves. It is interesting to know, for instance, that Tibet is a forbidden land not because of its religion but because its bandits are paid by the state. Such details as this, and others more highly colored, make "Kyber Caravan" an entertaining story. The pictures caught by Mr. Sinclair's excellent camera add to the impression of realism which the entire book conveys.

### Stresemann

"Gustav Stresemann, His Diaries, Letters and Papers." Volume I, edited and translated by Eric Sutton (New York: The Macmillan Company. \$5).

TODAY, Gustav Stresemann is popularly regarded in Germany as a man who betrayed the best interests of his country. From 1923 until his death in 1928 he directed the foreign policy of Germany, part of the time as chancellor and part of the time as foreign minister. It was his conciliatory attitude which brought defeated Germany back into the circle of European powers. Under his guidance Germany joined the League of Nations, signed the Locarno pacts, adhered to the Briand-Kellogg Pact, and, in general, conducted herself in such a manner as to win the sympathy and good will of the world.

Nazi Germany considers Stresemann's conduct to have been little more than abject surrender to the will of her conquerors. Today, he is not a martyr but is constantly reviled in his own country. However, despite the opinion of the Hitler government, the world is inclined to look back upon the days of Stresemann and Briand as the golden period of postwar Europe—a period which seemed to offer hope of conciliation and lasting peace. Had Stresemann lived, this dream might have been realized. At least subsequent evils might have been mitigated.

This impression is strengthened by this first volume in what promises to be the definitive work on Stresemann's career. The students and historians who will consult this collection of the German statesman's diaries, letters, and papers will not escape the conviction that his death was an irreparable loss to Germany.



GUSTAV STRESEMANN

From a portrait by Augustus John, R. A.





## TALKING THINGS OVER

Are both political parties playing politics with the new tax bill?  
Should the government raise its money by direct taxes?  
Will the tax on corporations hurt business?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

**John:** Well, it appears that the Roosevelt administration is having trouble with its tax bill. I am not surprised that there should be a revolt against it in the Senate. The thing that seems harder to understand is that it slipped through the House of Representatives with so little debate.

**Mary:** Why do you think that is so surprising? Why shouldn't it have gone quickly through the House of Representatives? The government needs more money, and this bill will supply from a half to three quarters of a billion more than is being collected under the present laws. It seems like a fair measure of taxation. It will not bear very heavily upon anybody. The idea simply is that if corporations make money and do not distribute it to the owners—that is, to the stockholders—if, in other words, they hold it back as a surplus, that surplus shall be taxed. This will have the double effect of keeping corporations from holding out money so that the few who are in charge of the corporations' business can manipulate it to their advantage and of forcing them to give it out as dividends to stockholders, and also of raising money for the government. What is the matter with a bill like that?

**John:** Have you read the bill?

**Mary:** No, but I have read quite a little about it.

**John:** Well, try reading it sometime. I did, and it was written in such involved and technical language that I couldn't tell what it was about. I thought at first that it might merely have been that I am not familiar with subjects of that kind. But then I found, on reading discussions of it in the newspapers, that even tax experts do not know the meaning of the bill. Experienced legislators say that it is so phrased that no one can understand it.

**Mary:** Well, I suppose that if the congressmen understood it all, they wouldn't have voted for it.

**Charles:** That doesn't necessarily follow, Mary. The facts are, I think, that the bill was prepared in a big hurry. The leaders in the House of Representatives wanted to get through with it so they could take up something else. They didn't want to spend the whole spring with it. So they whipped it into shape as fast as they could after the committee had held

hearings on it and then rushed it through.

**Mary:** Isn't it a risky thing to push through legislation like that? Isn't it likely to result in bad legislation?

**Charles:** It isn't the best practice imaginable, and yet something of that kind is often done. You see, the members of the House of Representatives knew that when they had passed the bill and it went on to the Senate, the Senate would take it up and consider it in detail. They knew that the Senate would probably write an entirely new bill. So they thought they would hurry something through and then give the responsibility for the final legislation to the Senate. That is a form of "passing the buck," but it is often done in Congress.

**Mary:** But don't you think that the method of raising money which the bill passed by the House provides for is a good one?

**Charles:** I don't know about that. It may be. But it's very hard for the ordinary citizen to tell. Expert opinion is divided on the subject. There is no agreement as to how much money would be raised for the government under the provisions of the bill. You see, the bill as passed by the House repealed the tax on corporations which now exists. At the present time, corporations pay a tax on all the money that they make. The tax ranges from 13½ per cent to 15 per cent, depending on the size of the corporation. Under the new bill these taxes would not be collected any more. Instead, the government will place a tax merely upon that part of corporation profits which are held back in reserve and are not passed on to stockholders. If the money made by the corporation is paid out as dividends to the stockholders, it is added to the individual incomes of the stockholders. For example, if a man owns a thousand shares of stock in a corporation and if that corporation makes profits of five dollars a share, and if it turns over all its profits to the stockholders, the stockholder with the thousand shares will receive five dollars a share, or \$5,000. This will be added to his individual income. If it is all the income that he has he won't pay very much taxes on it, for a man with an income of \$5,000 pays an income tax of but a hundred dollars. If, however, this man already had an income of several thousand dollars and the \$5,000 were added to it, his tax on the \$5,000 would be greater, for the rate of taxation depends on the size of one's income.

So you see, it's pretty hard to tell whether the government would collect more money by charging a flat tax of 13½ per cent or 15 per cent on all that the corporation makes, or by forcing the corporation to pay the

profits into the hands of individual stockholders and then taxing the stockholders.

**John:** But there's a lot more to the new tax bill than that. You have to consider the effect on the corporations. If they are taxed so much on money they have put by and saved that they will not save out surpluses, this may hurt them very badly. If, during good years when they are making money, they are allowed to put a large part of it by and hold it as a surplus, then they can use the surplus to keep going when hard times come and their profits vanish. But if they are taxed so heavily on their surpluses that they don't save any but turn it all back every year to stockholders, then when hard times come, they will have nothing to go on and will have to stop their business. That will be a bad thing for industry as well as for workers.

**Mary:** But their surpluses are not to be taxed much. If their surplus is reasonable in size, they can still put by a considerable part of their profits for a rainy day without having to pay heavy taxes. It is only when they hold too much back that the taxes really become heavy.

**Charles:** Well, as I suggested a while ago, this tax measure is a pretty complex one. We have mentioned only a few of the problems which it involves, and yet we find ourselves tangled up in difficulties.

**Mary:** Then, it seems to me a good thing that the Senate is giving more extended consideration to it. Perhaps it will write a better bill before it gets through with it.

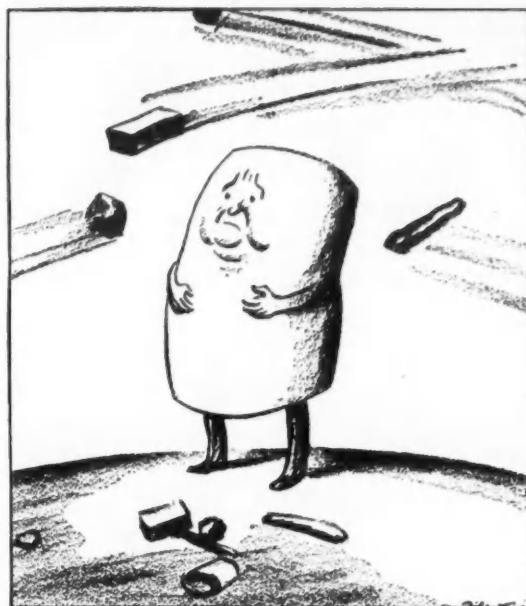
**John:** Perhaps the Senate will, but I am not very sure of it. This is an election year, and the members of Congress are thinking more about votes in November than they are in writing the right kind of tax measure. The Democrats are afraid to write a statesmanlike tax measure. They don't want to put any burdens on people who have votes. So they put a tax on corporations, thinking the corporations are unpopular anyhow with the masses of voters, and it will be politically a good thing to soak them.

**Mary:** You talk about the Democrats' playing politics, but what about the Republicans? If they know so much about the right kind of taxation, why don't they suggest something instead of merely knocking when the Democrats put up a bill?

**John:** It's not their place to tell the Democrats what kind of law to enact. The Democrats have a majority. The responsibility rests upon them. The Republicans are doing their duty when they point out the weakness of the bill which the Democrats propose.

**Charles:** As a matter of fact, I think that the parties are about equally to blame. Both of them are playing politics.

Neither of them dares to come out with an amendment to the tax laws which will place taxes on all incomes and thus raise needed money for the government. The Democrats are fooling around with a corporation tax which may or may not raise revenue, and the Republicans are pretending that no new taxes would be necessary if the Democrats would only quit spending money. Of course, they could not quit spending money. The government must go on spending to take care of the unemployed and to keep all the branches of the government going. More money should be raised and it should be raised in the form of direct taxes on incomes so that people might know what they are paying.



NOBODY LOVES A TAX BILL

—Fitzpatrick in St. Louis Post-Dispatch

## THOUGHTS AND SMILES

The entrance fee for Georgia's presidential preferential primary has been fixed at \$10,000. Anybody who wishes to throw his hat in this ring will first have to pass it around.

—Washington Post

Why is it that the average person can hear a clock tick across the room, but can't hear the radio unless it's turned up high enough to carry four blocks?

—St. Louis STAR-TIMES

Our world situation is one which adults have made. As is usually true, it is the responsibility of youth to correct the mistakes of the previous adult generation.—Mrs. Grace Overton, at N. Y. State Conference.

Maybe that Congressman who was arrested in Washington for traveling 70 miles an hour was under the impression he was passing another billion-dollar appropriation bill.

—Ohio STATE JOURNAL

The present trend indicates that by mid-summer this country will be heavily infested with candidates and Major Bowes' amateur road units.

—St. Louis STAR-TIMES

The right of free speech is precious, but not more so than the right not to listen to it if you don't want to.

—Washington Post

The peace of the world would be more secure if governments could get their appropriation bills through without pointing the finger of alarm at their neighbors.

—Detroit Free Press

It's funny that English lecturers who tour this country can find so many things to criticize about us without including our weakness for listening to English lecturers.

—LIFE

No system, not even democracy, can guarantee self-government to a people too indolent, too ignorant, or too indifferent to cherish and, if necessary, to fight for its own freedom.

—James P. Warburg, N. Y. banker

## SOMETHING TO THINK ABOUT

1. To what extent has the spoils system increased under the New Deal? What justification for this increase do leaders of the administration make?

2. Why are Democratic members of Congress opposed to placing postmasters under the Civil Service? Why are Republicans opposed to it?

3. Give three reasons why the League of Nations has taken a stronger position in opposing Italy's annexation of Ethiopia.

4. Why is the new French government expected to adopt a more definite pro-League position than the governments which have preceded it?

5. What is meant by the "trickle down" theory of promoting recovery and how was it applied by the Hoover administration?

6. Do you think the United States should recognize the validity of Italy's annexation of Ethiopia?



HIS TURN TO WRESTLE WITH IT

—Homan in Wilmington News



NO MATTER HOW YOU LOOK AT IT, IT'S A HEADACHE

—Kirby in N. Y. World-Telegram





OUR GROWING GOVERNMENT

© Wide World

The New Deal has resulted in the establishment of numerous new agencies of government, many of which will probably become permanent. The above is a view of the temporary Works Progress Administration.

## Movement to Limit Spoils System in Government Gains

(Concluded from page 1)

A good many people are coming to see the importance of developing an able body of public officials and employees. They are raising the question as to whether reforms are not needed. Many believe that the government personnel at present is not strong enough; that appointments in too many cases are made for political reasons and not because of the merits of the employees. This question of improving the public service has become a definite issue. A number of organizations are trying to take jobs out of politics and to put increasing numbers of workers under the Civil Service; that is, to have them appointed for merit rather than because of their political views. The National League of Women Voters is working hard at this campaign. Other organizations working toward the same end are the National Civil Service Reform League, the National Federation of Federal Employees, and the National Federation of Postal Clerks. President Roosevelt has declared that he favors the movement. He has pledged himself to the task of taking all the post offices out of politics. Bills to that end are now pending in Congress. Charges are being made back and forth on the question of whether the Roosevelt administration is or is not crippling the public service and going in the direction of the Spoils System.

### Public Servants Numerous

In 1932 about three and one quarter million persons, or one-tenth of all gainfully employed persons in the United States, were in government service. Of these, 934,000 were working for the federal government. This included the armed forces. There were about 567,000 civil employees. At the same time there were 252,000 employees of the 48 states; 591,000 persons not counting those in educational work, for the cities; 312,000 for counties, townships, and districts. One million, one hundred and eighty-nine thousand were engaged in education, by far the greater part of those in educational work being employees of cities and towns. These people were employed either by 48 states, 3,053 counties, 16,366 incorporated municipalities, 28,842 townships and other civil divisions, and 127,108 school districts. Since then the federal government has increased greatly under the New Deal and the number of federal employees has increased about 200,000.

In 1932, 80 per cent of all the civil (non-military) employees of the federal government were under the Civil Service; that is, they took competitive examinations, those receiving the highest grades being placed first on the lists from whom employees were chosen. During the Roosevelt administration those who had been under the Civil Service remained there. About the same number as before secured their jobs by passing examinations and thus qualifying

for them. The new jobs which have been created by the New Deal are not under the Civil Service; that is, not many of them are so at present. Only 60 per cent of all the civil employees of the federal government are under the Civil Service.

### Spoils Politics

The other 40 per cent of the appointments are mainly political; that is, applicants for jobs must receive recommendations from their congressmen or from the county or state chairman of the party which is in power. Appointments are made because of political consideration rather than because of proving merit or because of good grades made in examinations.

Not only does the national government fail to provide that its employees shall be appointed because of merit or because of having passed examinations, but the state and local governments also fail, in the main, to make such a provision. Only 38 per cent of state employees are now under the Civil Service. Only 59 per cent of municipal employees and 14 per cent of county, township, and district appointees are under the Civil Service. The rest are appointed, or may be appointed, because of their politics rather than because of their qualifications. School teachers are not under the Civil Service but in most cases they must meet fixed standards of merit. In only exceptional cases are they appointed because of political considerations. It would appear, however, that with the exception of the military and educational employees, less than half of all those who work for the different branches of the government are selected because of training or merit. More than half of all the jobs are at the disposal of politicians.

Let us get a clear picture of the difference between an appointment under the Civil Service and an appointment to a position not given by Civil Service rules. A

young woman, let us say, wishes to secure a stenographic position in the government. She hears that there are openings for stenographers in one of the regular government departments, such as the Department of Labor. These jobs are under the Civil Service. Her first step is to find out when an examination is to be given for stenographers wishing government employment. She finds that at a certain time an examination is given in her state. She takes the examination. So do many others who are looking for stenographic jobs. The examination tests her speed and accuracy as a stenographer and her general education over a fairly broad field. The papers are then graded by impartial examiners and all of those who have taken the examination are placed upon the list, those whose grades are highest coming first. After a while the Department of Labor needs stenographers. Those in charge of the appointments go to the list and make their first selections from those who stand at the top.

Let us suppose, however, that the young woman makes application for a place with the Public Works Administration—a New Deal agency which is not under the Civil Service. In this case no examinations are given, nor is the applicant for the position tested as to her efficiency as a stenographer. Instead she is told to get a recommendation from the Democratic state chairman of her home county or the state chairman of her state. She takes this endorsement and goes to her congressman or senator, provided he is a Democrat. Then if she is recommended by the member of Congress or the senator, and if there is a position open, she may receive the appointment.

Why is it that these New Deal agencies have not been put under the Civil Service? Why are the appointments not made under some kind of merit system? Some of the agencies, it should be said, do operate under a merit system. The TVA does. Senator Norris of Nebraska succeeded in putting the TVA on a merit basis. In all except the higher branches of the TVA work, applicants for positions are required to take examinations. Their grades are taken into account in making the selections.

But most of the new agencies created under the government have been established quickly. The argument is made that in the hurry of getting the work under way it was not possible to put Civil Service rules into effect. Thousands of positions had to be filled at once and there were not enough on the Civil Service waiting lists to fill these positions.

There is a present issue concerning the merit system not only in the new agencies but in the older ones. In particular the issue has arisen over postmasterships. There are 46,000 post offices in the United States. Most of them are small offices. About 32,000 of them come under what is known as the fourth-class post office. The postmasters of the fourth-class offices are under the Civil Service. But there are 14,000 of the larger offices which are not under the Civil Service.

The demand is being made in many quarters that they be taken out of politics and put under the merit system as quickly as possible.

### New Bills

Several years ago these first, second, and third class postmasters were put part way under the Civil Service. It was provided that examinations should be held by those who were applicants for such positions, but in filling any particular office, the President was given power to appoint any one of the top three men. Ordinarily this permitted him to appoint one of his own party. Later a backward step was taken, for it was provided that if the President were not satisfied with any one of the top three men, he could order another examination. He and his advisers (the adviser in most cases relating to post office appointments, is the senator or representative of the district in which the post office is located, provided the senator or representative belongs to the President's party) may order new examinations until a man of their own party and their own liking comes within the top three.



"YOU CAN HAVE THE CRUMBS"

—Carmack in Christian Science Monitor

Then he may receive the appointment.

Senator Norris argues that the post office department should be taken out of politics altogether. He wants the postmaster general to be a nonpolitical officer like the present comptroller general. All the post offices would then be completely out of politics. There seems little likelihood that this proposal will be adopted, at least in the near future. Bills with a better chance of success were introduced this spring, however. One of these measures, introduced by Representative Ramspeck, would place the 14,000 postmasters of the first, second, and third class under the merit system. President Roosevelt has declared his approval of the measure.

An effort to place all postmasters under the Civil Service is opposed by many congressmen of both parties. Many of the Democrats oppose it because under the political system congressmen who belong to the President's party are given the privilege by the President of naming the postmasters in their district. And some of these congressmen want to keep the privilege. They are anxious to have offices to give out in order to line up support for themselves. Some Republicans oppose putting all the postmasters under Civil Service now, because at the present time nearly all the holders of offices are Democrats. The Republicans hope to get into power and they would like to fill the offices with Republicans before placing the postmasters under the Civil Service.

Nevertheless, a campaign to do away with political appointments of government employees appears to be making progress. For many years the proportion of public servants appointed on a merit basis has been steadily increasing. The establishment of the New Deal agencies to combat the depression has increased the proportion of political appointees. This checking of progress toward the establishment of a merit system may prove to be merely temporary.



THEY STRIVE TO BUILD A BETTER SERVICE

The three Civil Service Commissioners. Left to right: Lucille Foster McMillin, Harry B. Mitchell (chairman), and Leonard D. White